

NEWSBRIEF

Members' national and international news

New government

Theresa May could well follow Margaret Thatcher and Gordon Brown as prime ministers who took the lead on employee ownership. Her hustings speech promising to tackle top pay and worker representation is certain to be followed through as it reflects the views of long term advisers who have followed her to no 10.

"The people who run big businesses are supposed to be accountable to outsiders," said Mrs May. "In practice, they are drawn from the same, narrow social and professional circles as the executive team and – as we have seen time and time again – the scrutiny they provide is just not good enough. So if I'm Prime Minister, we're going to change that system – and we're going to have not just consumers represented on company boards, but employees as well."

A strong lead from the top will concentrate minds at Business and the Treasury. At Business, the sideways move of Sajid Javid was a loss since he personally backed employee shareholding, especially at Royal Mail, but the sacking of small business minister Anna Soubry clears the way for a more esop friendly approach. David Gauke has good form as Chief Secretary to the Treasury. The new Treasury minister responsible for HMRC is Jane Ellison, whose many years at John Lewis could well prove beneficial in understanding the sector.

The Centre hosted inequality guru Professor Danny Dorling at the RAF Club on Monday night.

Chairman on Share radio

"Employee ownership will be run from no 10", Centre chairman Malcolm Hurlston told listeners to Share radio last Saturday

morning. "With responsibility divided between two departments, Treasury and Business - not to mention HMRC - a strong lead is needed to ensure fast progress." Both the SIP and EMI were introduced when Esop enthusiast Gordon Brown was at no 10 to give a lead to the departments.

The prime minister would make good her business promises on top pay and worker representation. Employee share schemes and the CSOP in particular were an "obvious way to achieve her aim of helping the low paid." Echoing the prime minister's views on top pay, Malcolm Hurlston said the fat cats had been gouging shareholders.

Malcolm Hurlston told listeners that the EOT had unexpectedly taken off. He admitted to being wrong about its being no more than a "John Lewis bung." In practice it was putting business owners first for the first time and increasing the likelihood they would sell to employees. As a result he expected a surge in employee ownership propositions but the traditional schemes, especially the CSOP, needed support.

Opportunity for Solium?



Centre staff awarded man of the match to Eddie Mbaraga (left) after Hurlstons sponsored the first London Skolars v Toulouse match. No sign of Maoiliosa even though Nasdaq is a Skolars sponsor. Next year it could be Skolars v Toronto as the Canadian club is due to join the rugby league (sponsorship opportunity for Solium?).

RM2 publishes guide to EOTs



The RM2 Partnership has published a user-friendly Introduction to Employee Ownership Trusts. Written by managing partner Garry Karch, the 70-page volume is intended to convince business owners that the EOT should be considered seriously in succession planning. During the book's launch on July 12, Esop Centre chairman (left) and author of the book's foreword Malcolm Hurlston CBE reminded

guests of Louis Kelso's famous quotation: 'Employee ownership is the best medicine a company can take'. He praised the EOT and the new book, predicting a new era for employee ownership in the UK.

The book is available for £18.95 from the RM2 website. Kindle and iBooks editions are also available.

RM2 offers ten Esop Centre members the chance to receive a free copy. All you have to do is download a copy of RM2's EOT factsheet from their website.

Bedell Cristin launches new brand



The legal arm of Bedell Group, Bedell Cristin, has revealed its new branding. It follows the management buyout of Bedell Trust last April. The new brand refreshes its visual identity and logo.

Conferences and events

Employee share schemes for SMEs conference: Friday September 16

This year's employee share schemes for SMEs conference, jointly organised by the Esop Centre and the Institute of Directors, is being held in London at the IoD's Pall Mall headquarters on Friday September 16.

The one-day event is designed for owners, company directors, finance managers and HR managers who are considering implementing an employee share scheme in their business, or who want to develop existing plans.

Speakers include Stephen Woodhouse of Pett Franklin, Mark Gearing of Fieldfisher, Robert Postlethwaite of Postlethwaite Solicitors, David Craddock of David Craddock Consultancy Services, Colin Kendon of Bird & Bird, William Franklin of Pett Franklin, Garry Karch of the RM2 Partnership, and Graham Muir of Nabarro.

Tickets for Centre and IoD members are £385 + VAT each, non-members £485 + VAT.

To take advantage of the member rate, Esop Centre members should contact the Centre for the booking form by emailing events@esopcentre.com.

[IoD and non-members can book online.](#)

Employee share schemes for SMEs

A one day conference by the Esop Centre and the IoD



Guernsey share schemes and trustees conference: Friday October 7

The annual Guernsey share schemes and trustees conference, organised by the Esop Centre and STEP Guernsey, will be held at the St Pierre Park Hotel in St Peter Port on the morning of Friday October 7 2016.

The programme is currently being finalised. Deputy Peter Ferbrache, Guernsey States president of the economic development committee, will deliver the keynote speech. Speakers will include David Craddock of David Craddock Consultancy Services, Stephen Woodhouse of Pett Franklin, Martin Popplewell and Juliet Halfhead of Deloitte.

Tickets cost £350 for Centre and STEP members, £450 for non-members.

Book by Friday August 5 to take advantage of one of the following early bird offers.

50 percent off a third delegate

10 percent off total (if payment is received by August 5)

To register your interest in attending, please email events@esopcentre.com or call 020 7239 4971.

Awards Dinner 2016: Tuesday November 22

The Esop Centre's fifteenth Awards Dinner is being held this year at the Reform Club on the evening of Tuesday November 22.

The Awards Dinner brings together members and their influential guests – representing UK and international plan issuer companies and their expert advisers – to recognise the best in employee share ownership. This stylish enjoyable black-tie event is the perfect way to celebrate the year with clients, colleagues and peers. This year the host is former BBC sports editor Mihir Bose, a former chairman of the Reform.

We are now taking bookings. Tickets are available at £1,800 + vat for a table of 10 and individually at £195 + vat (members' rate). Email events@esopcentre.com to book.

Sponsorship opportunities are available. For more information contact Daniel on +44 (0)20 7239 4971 (link to sponsor brochure??)

Nominations

The list of early entrants was announced at our annual cocktail party during the European conference in Vienna at the start of June. There is still time to submit further nominations.

Best all-employee share plan

More than 1,500 employees

Fewer than 1,500 employees

Best international all-employee share plan

Best all-employee share plan communications

Best use of video in share plan communications †

Best use of social media in share plan communications * †

Best financial education of employees †

Best promotion of share plans as long-term investment * †

Best innovation in share plan administration †

Best use of share plan voting rights to boost employee engagement * †

* New category this year.

† No entrants so far.

The categories are designed to reflect the Centre's major policy objectives.

[Visit the Awards 2016 webpage for more details and to make your submissions.](#)

British Isles, Brexit & shareholder democracy employee equity symposium: Wednesday/ Thursday November 23–24

The Esop Centre will hold its inaugural British Isles employee equity at the offices of White & Case in the City of London later this year on

Wednesday November 23 and Tuesday November 24.

The one-and-a-half-day conference will follow this year's Awards Dinner on the evening of Tuesday November 22. It will focus on post Brexit broad-based cross-border employee equity plans and executive and management reward strategies and on British Isles trustee involvement in employee equity.

The Centre is currently calling for speakers. Among the key issues will be the impact of Brexit across the employee share scheme sector and executive reward and 'say on pay'.

Bookings are now open and the following early bird prices now will apply for a limited time only.

MEMBERS

Plan issuer: Free (subject to £50 admin charge)

Practitioner: £395

NON-MEMBERS

Plan issuer: £175

Practitioner: £595

If you're interested in speaking or would like to register as a delegate, please email britishisles@esopcentre.com

Member profile

Ann Tyler

Employee ownership consultant at Lewis Silkin LLP

In what ways does employee share ownership serve a useful purpose?

Employee Ownership has been shown to have a hugely significant effect on the economy, promoting a culture of inclusive capitalism. Employee owned companies are more productive, have more successful rates of recruitment and retention, and employees who are both happier and healthier. Successful employee owned companies usually have a democratic governance structure and a programme of employee engagement which leads to a more open and participative workplace.

How can we widen and deepen the adoption and use of employee share ownership?

The employee owned sector is growing rapidly in the UK, following the introduction of significant tax reliefs in the Finance Act 2014. The main obstacle remains that of education and awareness raising, so that advisers can suggest and discuss employee ownership with their clients, and implement it quickly and cost effectively. Greater publicity for companies which successfully make the transition to employee ownership would help, so that their stories can inspire others. And there should be a wider range of finance options available to support transition and, if required, create liquidity for a market in the shares.

What would you tell someone on the fence about introducing employee share ownership to their company?

I would take them on a visit to one or more successful employee owned companies, such as John Lewis, in order to show them how an employee owned structure benefits every part of the business, as well as the lives of its employees (known as partners in John Lewis). There is nothing so powerful as seeing successful employee participation, engagement and democracy in action.

What do you think will change about employee share ownership over the next five years?

I think the ways employee ownership is used to achieve different policy objectives will increase. For example, we have already seen extensive use of employee ownership in the Cabinet Office programme to mutualise public services. Now a number of law firms are following the example of Grant Thornton to become a 'shared ownership enterprise'. Many firms of architects are abandoning the traditional partnership structure and adopting EOTs. And employee ownership is the perfect way to achieve new Prime Minister Theresa May's aspiration to give people control over their lives and create an economy that works for everyone.

What has been the most important development in employee share ownership during your career?

Undoubtedly the Nuttall Review of 2012, which carried out an extensive review of employee ownership, explained the obstacles for companies wishing to adopt it, and made recommendations to Government on how to promote it. It was supported by the work of the Cabinet Office's Mutuals Taskforce. And it set a precedent for continuous review of employee ownership policy followed by Ed Balls when he commissioned The Hunt Review of Mutuals, which included significant proposals for employee ownership.

Which change to employee share plans legislation, in the UK or elsewhere, would you most like to see?

I would like to see the EOT legislation extended to law firms, so that they can introduce tax effective employee ownership to benefit all employees and in doing so shake up the way the legal profession operates. And also to companies with private equity investment, so that all employees can share in the growth in value of these companies on exit. More ambitiously, my work for the The Hunt Review recommended the introduction of a new tax-approved scheme comprising three elements of: all-employee participation; working life forum; working life ownership account.

Why do you think employee share ownership has enjoyed cross-party support in the UK?

Employee ownership has always enjoyed cross-party support in the UK because it is a 'win win' option offering benefits to company owners and employees alike, as well as to the economy. For Conservatives it offers everyone a share in capital, for Labour it promotes employee participation

and profit-sharing, while for the Liberal Democrats it meets their universal criteria of fairness.

Which aspect of the Esop Centre do you most value?

Malcolm Hurlston, who established the Esop Centre nearly 30 years ago, who has campaigned tirelessly for more and better employee ownership throughout that period, and whose knowledge of the sector is second to none.

Which aspect of the Esop Centre would you most like to change?

I would like to see it develop a think-tank role, to carry out authoritative research and make policy proposals

What is your idea of perfect happiness?

Sitting on Pentle Bay, Tresco. The best beach in the world

What is your most marked characteristic?

Alternatively feisty, funny and friendly. Often at the same time.

What do you consider your greatest achievement?

My daughters - though that is largely down to them!

What historical figure do you most identify with?

My Welsh grandfather, who was a miner and leader of the Welsh NUM

Which living person do you most admire?

Hillary Clinton

Who are your heroes in real life?

Melvyn Bragg, Neil Kinnock and Andy Murray

Which word or phrases do you most overuse?

Too many hyperboles

What is your most treasured possession?

A Henry Moore print from his last 'Mother and Child' series, personally dedicated to me

If you would like to suggest a profile for newsbrief please **contact Daniel Helen** dhelen@esopcentre.com; 020 7239 4971.

Employee Share Ownership Centre Ltd

Phoenix Yard | 65 Kings Cross Road | London WC1X 9LW | +44 (0)20 7239 4971

esop@esopcentre.com | www.esopcentre.com